

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 06/28/2012
POSITION: Neutral

BILL NUMBER: AB 1601
AUTHOR: Huffman, Jared William

BILL SUMMARY: Oil spill prevention: nontank vessel: certification of financial responsibility

Existing law requires the Department of Fish and Game (DFG) to collect a Certificate of Financial Responsibility fee from an operator of a non-tank vessel. The fee is currently set through regulations at \$3,250.

This bill would establish a base fee, not to exceed \$3,500, for non-tank vessels and authorize DFG to annually adjust the fee based on the California Consumer Price Index (CPI). The bill would sunset as of January 1, 2018.

FISCAL SUMMARY

Currently, DFG collects a \$3,250 fee from non-tank vessels over 300 gross tons coming into California marine waters. The fee payment is good for two years and is based on the cost of administering the non-tank vessel program. DFG collects approximately \$7.2 million annually in non-tank vessel fees and the revenue is deposited into the Oil Spill Prevention and Administration Fund (OSPAF). Increasing the non-tank vessel fee to \$3,500 would result in an additional \$600,000 annually to the OSPAFA.

The bill would authorize DFG to adjust the non-tank vessel fee based on the CPI. On average, the CPI has increased over the past 20 years about 2.8 percent annually. Using this percentage, the non-tank vessel fee would increase to \$3,598 in 2013, resulting in an additional \$218,000 in revenue to the OSPAFA.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the April 19, 2012 version do not alter our position. The amendments increase the non-tank vessel fee from \$3,250 to \$3,500 and provide a sunset date for the increase in the fee of January 1, 2018.

COMMENTS

The Department of Finance is neutral on the bill as it would allow DFG to adjust the non-tank vessel fee, based on the CPI, to ensure there continues to be sufficient funding to implement the program.

Non-tank vessels make up a significant portion of DFG's oil spill prevention and inspection workload. On average, DFG processes over approximately 950 non-tank vessel oil spill contingency plans annually, as compared to approximately 350 tank vessel plans. Furthermore, several high profile significant oil spills in California were from non-tank vessels including the Stuyvesant and Kure spills in Humboldt Bay, and the Cosco Busan spill in San Francisco Bay.

Analyst (0634) J. Silva	Date	Program Budget Manager Karen Finn	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

AUTHOR

AMENDMENT DATE

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Huffman, Jared William

06/28/2012

AB 1601

Code/Department	SO	(Fiscal Impact by Fiscal Year)					
Agency or Revenue	LA	(Dollars in Thousands)					
Type	CO	PROP	2012-2013		2013-2014		Fund
	RV	98	FC	FC	FC	FC	Code
1256/Othr Reg Fee	RV	No	U	600 U	818 U	1,043	0320
<u>Fund Code</u>	<u>Title</u>						
0320	Oil Spill Prevention & Administration Fd						